

Date: May 22, 2013

From : Deputy Assistant Secretary for Acquisition and Logistics (003A)

Subj: VA PPM (2013-07) - Use of Integrated Product Teams (IPT) for Major Acquisitions (VAIQ 7327809)

To: Distribution

1. **Purpose.** The purpose of this Department of Veterans Affairs (VA) Procurement Policy Memorandum (PPM) is to redefine the mandatory use of Integrated Product Teams (IPTs) for all acquisitions valued above \$5 million, including options within the Department of Veterans Affairs (VA). IPTs are further required for complex acquisitions valued at less than \$5 million when there is considerable technical, program, or business risk to the Government.

2. **Cancellation.** This PPM also rescinds and replaces the Information Letter IL 001AL-09-05; Subj: Use of Integrated Product Teams (IPT) for Major Acquisitions dated October 9, 2009.

3. **Background.** An IPT is a cross-functional team that is led by a program manager (PM). The IPT must work collaboratively to develop strategies and approaches to meet specific acquisition and program objectives. The goals of the IPT are to:

- a. Define and refine the technical requirements;
- b. Discuss risks and develop mitigation strategies;
- c. Determine the optimal acquisition strategy;
- d. Decide on the acquisition milestones and process to ensure success; and
- e. Accomplish effective lifecycle acquisition, contract, and performance management to provide the best value to the VA customer.

4. **Applicability.** This policy applies to all acquisition valued above \$5 million, including options and are required for complex acquisitions valued at less than \$5 million when there is considerable technical, program, or business risk to the Government.

5. **Policy.** It's imperative IPTs be assembled or waivers approved at the planning stage of the acquisition cycle.

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The following procurement actions are excluded from the IPT, Construction, Architect-Engineering Services:

- a. Orders against existing Indefinite Delivery Contracts, to include mandatory use of Government-wide acquisition contract vehicles such as Solutions for Enterprise-wide Procurement;
- b. Requirements to be covered under Interagency Agreements with other Federal and Department of Defense government agencies; and
- c. National Acquisition Center (NAC) pharmaceutical procurements and all Federal Supply Schedules established by the NAC.

The program office is responsible for establishing the IPT; chairing the IPT; and when appropriate, arranging for a trained facilitator. Facilitators may be obtained by using the multiple award contract vehicles for Global IPT Facilitation Services.

These awards are posted on the Acquisition Resource Center website at:

<http://arc.aac.va.gov/Acquisition/Pages/ARCHome.aspx>. IPTs are to be composed of voting members from the program office, contracting/procurement office, Office of Small and Disadvantaged Business Utilization (OSDBU), and any other representatives as deemed necessary by the Chair. The IPT shall engage their local Competition Advocate (CA) in discussions regarding competition. The Office of the General Counsel (OGC) will be a non-voting member that provides legal support in an advisory capacity. Each IPT member shall exercise sound business judgment within their core functional area of expertise and is empowered to make decisions without seeking higher level approval. The overall goal of the IPT is to:

- (1) Ensure adherence to the Federal Acquisition Regulation (FAR) and VA Acquisition Regulation (VAAR);
- (2) Deliver a product or service that meets programmatic objectives in terms of cost, quality, and timeliness.

6. IPT Role. The IPT may develop a charter (Attachment 1 sample charter), but must produce the following work products:

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a. A statement of work (SOW), performance work statement (PWS) or statement of objectives (SOO);

b. Documented market research;

c. An independent Government cost estimate (IGCE);

d. An Acquisition Plan (AP) as referenced in Attachment 2; and

e. Any other products deemed necessary by the IPT.

7. Facilitator Role. The facilitator's role is to:

a. Keep the team focused and on schedule;

b. Help team members resolve conflict and achieve consensus; and

c. Assist with writing and/or editing all documents, to include minutes of each session.

8. IPT Waiver Process. Adherence to the following IPT waiver process is mandatory:

If the PM and the cognizant contracting officer (CO) determines the acquisition is not suited for an IPT, the PM must provide written justification that addresses why waiving the IPT process is in the best interest of VA. A couple of examples of a valid justification are: (1) the requirement is not complex enough to warrant an IPT and (2) compelling, unusual, and urgency.

9. Approval for IPT Waivers. Pursuant to the authority of the VAAR, part 801.670, the Deputy Senior Procurement Executive (DSPE) delegates to the Head of Contracting Activity the authority to approve IPT waivers up to \$100 Million. This authority cannot be re-delegated. HCAs:

a. Shall exercise sound business judgment when waiving the mandatory use of the IPT process. All waivers must be in writing, signed by the HCA, and entered into the Electronic Contracting Management System (eCMS) as part of the official contract file.

b. A request and written justification for all IPT waivers greater than \$100 million must be forwarded through the local HCA to the DSPE for review, approval or disapproval.

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10. **Contact Information.** Please direct questions regarding this PPM to the Office of Acquisition and Logistics (003A), Procurement Policy and Warrant Management Service (003A2A), via email at: VA.Procurement.Policy@va.gov.

/s/C. Ford Heard III
for Jan R. Frye

Attachment 1: Optional Charter Template
Attachment 2: Acquisition Plan Template

Distribution:

Under Secretaries for Health, Benefits, and Memorial Affairs;
National Cemetery Administration, Chief Facilities Management Officer, Office of Facilities Management; Directors, VHA Service Area Offices
Directors and Network Contract Managers, Veterans Integrated Service Networks;
Directors, VA Medical Center Activities, Domiciliary, Outpatient Clinics, Medical and Regional Office Centers, and Regional Offices
Directors, Denver Acquisition and Logistics Center, Corporate Franchise Datacenter, Records Management Center, VBA Benefits Delivery Centers, and VA Health Administration Center
Executive Director and Chief Operating Officer, VA National Acquisition Center

**OPTIONAL CHARTER
TEMPLATE**

[PROJECT NAME]

INTEGRATED PRODUCT TEAM (IPT)

Signature/Program or Project Manager
Chairperson, IPT

Date

Signature/Contracting Officer

Date

Signature/Office of Small and Disadvantaged
Business Utilization

Date

Signature/IPT Member and Title

Date

Signature/IPT Member and Title

Date

Signature/IPT Member and Title

Date

Signature/Competition Advocate

Date

Signature/Office of General Counsel

Date

Signature/Facilitator

Date

I. PURPOSE. This section should set forth the overall description of the project mission and the specific objectives of the team. Team goals should be in writing to prevent conflicts resulting from misunderstandings or hidden agendas that may develop.

II. SCOPE OF PROGRAM. This section should provide a description of the work that the team is to accomplish and how it links to the Department of Veterans Affairs mission.

III. INTEGRATED PRODUCT TEAM (IPT) MEMBERSHIP, ROLES, AND RESPONSIBILITIES. This section should set forth the IPT's membership by office and function, to include the roles and responsibilities of the Chairperson of the IPT (who is the Program Manager), the members as a whole, and any other special members of the IPT. It is important to select the appropriate number of individuals who have the necessary skill-sets associated with the requirement. The team members must be willing to share responsibilities and accountability while working together toward a common objective. IPT members must possess the ability to work in a less structured environment and to be innovative. The contracting officer, as the Government's authorized agent, shall provide guidance to the IPT members regarding the rules and regulations for acquisitions. Additionally, pursuant to Federal Acquisition Regulation (FAR), Part 1.102-4 (e), if a particular strategy or practice is not prohibited by law, policy or executive order, assume it can be done. A trained facilitator may be invaluable to the team, to ensure adherence to established goals, schedules, help resolve conflict, and facilitate team consensus.

It is important for IPT members to have comprehensive skill sets to include, but limited to the following:

- a. Technical and functional expertise;
- b. Contracting/procurement expertise;
- c. Understanding of the FAR and VAR;
- d. Legal expertise and interpretation of statutes;
- e. Problem-solving and decision-making skills;
- f. Interpersonal skills; and
- g. Team-building skills.

IV. PERFORMANCE MEASURES. Measurable performance goals, such as timelines/milestones, should be established to track and identify progress toward achieving contract award. Procurement Action Lead Time (PALT) must be factored into the performance measures. The IPT will produce a list of work products and a planned date for completion. Some examples of acquisition steps to address:

- Acquisition plan approval
- Statement of work
- Specifications
- Completion of acquisition-package preparation
- Purchase request
- Justification and approval for other than full and open competition where applicable
- Issuance of synopsis
- Issuance of solicitation
- Evaluation of proposals, audits, and field reports
- Beginning and completion of negotiations
- Contract preparation, review, and clearance
- Contract award

V. OPERATING PROCEDURES. This section should set forth the team's meeting procedures, but more importantly, how decisions will be made. For example, will the team hold regular meetings or conference calls? May alternates attend? What will constitute a quorum? Will decisions be made by majority vote or consensus? How will a tie or lack of consensus be resolved? Will voting by e-mail be allowed?

VI. DISSOLUTION OF THE IPT. This section should set forth the date or milestone at which the IPT is dissolved.

ACQUISITION PLAN
FOR THE
(INSERT PROGRAM NAME AND ACQUISITION PHASE)
DATE: (INSERT DATE ISSUED)

PREPARED BY:
(INSERT PROGRAM/PROJECT MANAGEMENT OFFICE AND LOCATION)

ACQUISITION PLAN No. _____

PROGRAM: _____

PROGRAM MANAGER: _____

DESCRIPTION OF PROGRAM: (Insert a brief technical description of the system/equipment, or service be procured)

CONCUR: _____
Name, Title, Date

APPROVED: _____
Name, Title, Date

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The Federal Acquisition Regulation (FAR) 7.105 describe the specific elements that are requires for acquisition plans.

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- 4) Capability or Performance
- 5) Delivery or Performance - Period Requirements
- 6) Trade-Offs
- 7) Risks
- 8) Acquisition Streamlining

PART B - PLAN OF ACTION

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- 16) Environmental and Energy Conservation Objectives
- 17) Security Considerations
- 18) Contract Administration
- 19) Other Considerations
- 20) Milestones for the Acquisition Cycle
- 21) Identification of Participants in Acquisition Plan Preparation

PART A

ACQUISITION BACKGROUND AND OBJECTIVES

- 1) **Statement of Need**: (FAR 7.105(a)(1)) Introduce the plan by a brief statement of need. Summarize the technical and contractual history of the acquisition. Discuss all feasible acquisition alternatives, the impact of prior acquisitions on those alternatives, and any related in-house effort.
- 2) **Applicable Conditions**: (FAR 7.105(a)(2)) State all significant conditions affecting the acquisition, such as requirements for compatibility with existing or future systems or programs, and cost, schedule, and capability or performance constraints.
- 3) **Cost**: Set forth the established cost goals for the acquisition and the rationale supporting them, and discuss related cost concepts to be employed.

Life Cycle Cost: (FAR 7.105(a)(3)(i))

Design-to-Cost: (FAR 7.105(a)(3)(ii))

Application of Should-Cost: (FAR 7.105(a)(3)(iii))

- 4) **Capability or Performance**: (FAR 7.105(a)(4)) Specify the required capabilities or performance characteristics of the supplies or the performance standards of the services being acquired and state how they are related to the need.
- 5) **Delivery or Performance-Period Requirements**: (FAR 7.105(a)(5)) Describe the basis for establishing delivery or performance-period requirements. Explain and provide reasons for any urgency if it results in concurrency of development and production or constitutes justification for not providing for full and open competition.
- 6) **Trade-Offs**: (FAR 7.105(a)(6)) Discuss the expected consequences of trade-offs among the various cost, capability or performance, and schedule goals.
- 7) **Risks**: (FAR 7.105(a)(7)) Discuss technical, cost and schedule risks and describe what efforts are planned or underway to reduce risk and the consequences of failure to achieve goals. Include technical, cost, and schedule risks.
- 8) **Acquisition Streamlining**: (FAR 7.105(a)(8))

PART B
PLAN OF ACTION

1) Sources: (FAR 7.105(b)(1))

Discuss Market Research & Small Business Consideration
Discuss consideration of required sources of supply.

2) Competition: (FAR 7.105(b)(2)) Description of how competition will be sought, promoted, and sustained (see FAR 7.105(b)(2)); Authority for Other than Full and Open Competition, and discussion thereof, when applicable. Subcontracting Competition, (FAR 7.105(b)(2)(iv)).

3) Source Selection Procedures: (FAR 7.105(b)(3))

4) Acquisition Considerations: (FAR 7.105(b)(4))

5) Budgeting and Funding: (FAR 7.105(b)(5)) – Identify “types of funds” and appropriate fiscal year allocation(s).

6) Product or Service Descriptions: (FAR 7.105(b)(6))

7) Priorities, Allocations and Allotments: (FAR 7.105(b)(7))

8) Contractor versus Government Performance: (FAR 7.105(b)(8))

9) Inherently Governmental Functions: (FAR 7.105(b)(9))

10) Management Information Requirements: (FAR 7.105(b)(10))

11) Make-or-Buy: (FAR 7.105(b)(11))

12) Test and Evaluation (T&E): (FAR 7.105(b)(12))

13) Logistics Considerations: (FAR 7.105(b)(13))

Assumptions

Contractor or Agency Support: (FAR 7.105(b)(13)(i))

Contractor or Agency Maintenance: (FAR 7.105(b)(13)(i))

Distribution of Commercial Products: (FAR 7.105(b)(13)(i))

Reliability and Maintainability (R&M): (FAR 7.105(b)(13)(ii))

Reliability: (FAR 7.105(b)(13)(ii))

Maintainability: (FAR 7.105(b)(13)(ii))

Quality Assurance: (FAR 7.105(b)(13)(ii))

Warranties: (FAR 7.105(b)(13)(ii))

Data Requirements: (see FAR 7.105(b)(13)(iii))

Standardization Concepts: (FAR 7.105(b)(13)(iv))

14) Government-Furnished Property: (FAR 7.105(b)(14))

15) Government-Furnished Information: (FAR 7.105(b)(15))

16) Environmental and Energy Conservation Objectives: (FAR 7.105(b)(16))

17) Security Considerations: (FAR 7.105(b)(17))

18) Contract Administration: (FAR 7.105(b)(18))

19) Other Considerations: OSHA, foreign sales implications (FAR 7.105(b)(19))

Milestones for the Acquisition Cycle: (FAR 7.105(b)(20)) Include the following events, when applicable:

SAMPLE	Month/Year
1. Establish IPT	Feb XX
2. Acquisition Plan (AP), & Source Selection Plan (SSP), submitted for Approval	Mar XX
3. AP, SOW, Purchase Request (PR) CDRLs & SSP Completed/Approved	Mar XX
4. FedBizOpps Announcement	Mar XX
5. Draft RFP posted for industry review	Apr XX
6. Pre-Solicitation Conference, if necessary	Apr XX
7. Final SOW and CDRLs completed,	May XX
8. RFP Released and Posted	May XX
9. Pre-Proposal Conference/Site Visits if necessary	Jun XX
10. RFP Closes and Proposals Due	Aug XX
11. Evaluation of Proposals Commence	Aug XX
12. Competitive Range Determination and Pre-Negotiation Memorandum (PNM) completed	Oct XX
13. Discussions, if necessary, with Offerors in Competitive Range	Oct XX

14. Request and Receive Final Proposals	Nov XX
15. Final and Post-Negotiation Memoranda Completed	Dec XX
16. Decision Award Authority	Jan XX
17. Contract Award	Jan XX
18. Post Award Conference	Jan XX

Identification of Participants in Acquisition Plan Preparation: (FAR 7.105(b)(21))

Should include at a minimum:

- Point of Contact for Requiring Activity
- Contracting Officer
- Contract Specialist
- Small Disadvantaged Business Utilization Specialist (SADBU)
- Competition Advocate (CA)
- Office of General Council (OGC)